

**NICHOLLS STATE UNIVERSITY
ALUMNI FEDERATION**

Financial Report

For the Year Ended June 30, 2014

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Financial Report
For the Year Ended June 30, 2014

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STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Nicholls State University Alumni Federation

We have audited the accompanying statement of assets and net assets – modified cash basis of the Nicholls State University Alumni Federation (a nonprofit organization) as of June 30, 2014, and the related statement of revenue, expenses and other changes in net assets – modified cash basis for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of the Nicholls State University Alumni Federation as of June 30, 2014, and its revenue, expenses and other changes in its net assets during the year then ended, on the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying graphs, listed as supplemental information in the table of contents, are presented for purposes of additional analysis and are not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Stagni & Company

Thibodaux, Louisiana
December 11, 2014



Nicholls State University Alumni Federation

Statement of Assets and Net Assets

Modified Cash Basis

June 30, 2014

ASSETS

CURRENT ASSETS

Cash & cash equivalents	\$ 217,454
Cash & cash equivalents - designated	<u>77,609</u>
Total Current Assets	<u>295,063</u>

NON-CURRENT ASSETS

Furniture, equipment, & improvements, net of accumulated depreciation	<u>4,587</u>
Total Non-Current Assets	<u>4,587</u>

TOTAL ASSETS	<u><u>\$ 299,650</u></u>
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NET ASSETS

Unrestricted:	
Undesignated	\$ 222,041
Designated	<u>77,609</u>
Total net assets	<u>299,650</u>

TOTAL NET ASSETS	<u><u>\$ 299,650</u></u>
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See Notes to the Financial Statements.

Nicholls State University Alumni Federation

Statement of Revenue, Expenses and Other

Changes in Net Assets - Modified Cash Basis

June 30, 2014

REVENUES

Member dues and donations	\$	88,372
John Brady Golf Classic		31,710
Annual business meeting		10,968
New Year's Eve Bash		7,480
Commissions		1,354
Donated services		76,077
Donated occupancy		11,000
Donations for scholarships		708
Student assessments		10,276
Interest		878
Miscellaneous		84
Total revenue & other support		<u>238,907</u>

EXPENSES

PROGRAM SERVICES

Director - expense	4,065
Salaries	151,793
Public relations & goodwill	8,411
Promotional	19,371
Scholarships - Alumni	3,200
Scholarships - Top Scholar	4,800
Student activities	3,875
Golf Classic	18,206
Annual business meeting	8,171
Awards for Excellence	4,779
New Year's Eve	13,997
Fund Raising	746
Printing - Colonel	4,530
Postage - Colonel	623
Coffee & refreshments	2,161
Donations - campus organizations	2,699
Transfer Stephen Hulbert Scholarship to NSU Foundation	500
Dues & subscriptions	3,858
Total program services	<u>255,785</u>

(continued)

See Notes to the Financial Statements.

Nicholls State University Alumni Federation

Statement of Revenues, Expenses and Other

Changes in Net Assets - Modified Cash Basis

June 30, 2014

SUPPORTING SERVICES

GENERAL & ADMINISTRATIVE

Office supplies & maintenance	2,719
Alumni house supplies & maintenance	1,892
Postage	3,423
Telephone	46
Professional Fees	3,190
Equipment expense	2,467
Insurance	6,817
Bank & VISA fees	1,934
Travel	5,413
Depreciation	580
Occupancy expenses	11,000

MEMBERSHIP DEVELOPMENT

Printing & postage - Dues	19,548
Lifetime membership dues expenses	1,377

Total supporting services 60,406

Total expenses 316,191

Change in net assets (77,284)

NET ASSETS, BEGINNING OF YEAR 376,934

NET ASSETS, END OF YEAR \$ 299,650

(concluded)

See Notes to the Financial Statements.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2014

Note 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of organization:

The Nicholls State University Alumni Federation (the Alumni Federation) was organized as a non-profit corporation as defined by Revised Statutes of Louisiana Title 12, Section 101 and is duly inscribed in Book of Charters and Articles of Incorporation No. 4, Page 539, Entry No. 185698. Its object and purpose is to foster, protect, and promote the welfare of Nicholls State University and its alumni.

The significant accounting policies are as follows:

Basis of accounting:

The Alumni Federation's policy is to prepare its financial statements on the modified cash basis of accounting. Using this basis, revenues and other support are recognized when collected rather than when earned or receivable, and expenses are recognized when paid rather than when incurred. Consequently, the financial statements do not include revenue receivable, amounts due vendors, prepaid expenses, nor liabilities for accrued expenses. The statements are considered modified from the pure cash basis of accounting because of the Organization's policy to capitalize depreciable assets as well as to report donated facilities and services.

Method of accounting:

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", the Alumni Federation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Because the financial statements are presented on the cash basis of accounting, the Alumni Federation is not required to present a statement of cash flows.

Contributions:

The Alumni Federation records contributions when they are received.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2014

Note 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Furniture, equipment, & improvements:

Furniture, equipment, & improvements are carried at historical cost. Donated assets are valued at estimated market value at the time of donation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Assets costing more than \$1,000 are capitalized.

Income tax status:

No provision has been made for income taxes in the financial statements. The Alumni Federation is exempt from income tax under section 501(c) (3) of the Internal Revenue Code. This code section enables the Organization to accept donations, which qualify as charitable contributions to the donor.

Use of estimates:

The preparation of financial statements on the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses:

Expenses are charged directly to program services, general and administrative, or membership development categories based on specific identification. There are no indirect expenses to be allocated.

NOTE 2. CASH AND CASH EQUIVALENTS

In addition to bank accounts, this classification includes all short-term investments such as savings accounts, certificates of deposit maturing in one year or less, and money market accounts. These investments are stated at cost which approximates market.

A schedule of cash and cash equivalents (book balances) follows:

Capital One Bank

Capital One Checking – General (interest bearing)	\$55,851
Capital One Checking – Student (interest bearing)	51,603
Capital One Tower High Int Sav (interest bearing)	31,454

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2014

Synergy Bank

Synergy Bank Checking(Scholarship) (interest bearing)	18,532
Synergy Bank – NSAA (non-interest bearing) (Nicholls Student Alumni Association)	930
Synergy Bank – Savings Alumni Lifetime Membership (interest bearing)	30,805

Whitney Bank

Whitney Bank – S Knobloch (interest bearing)	6,544
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MidSouth Bank

Money Market	98,666
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Paypal

Paypal account	678
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\$295,063

These deposits are stated at cost, which approximates market.

Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk. At June 30, 2014, the Alumni had \$248,099 in deposits (collected bank balance). All of which are secured from risk by FDIC federal deposit insurance. There are no securities pledged on these accounts by the fiscal agent bank.

The cash & cash equivalents – designated amount is made up of the student assessment checking account, Nicholls Student Alumni Association checking account, the Synergy Bank checking account, and the S. Knobloch account. Further description for these designations can be found in Note 4.

NOTE 3. FURNITURE, EQUIPMENT, & IMPROVEMENTS

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at cost. Donated assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expenses as incurred. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Building improvements	10-40 years
Equipment	5-15 years

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 3. FURNITURE, EQUIPMENT, & IMPROVEMENTS, continued

Furniture, equipment and improvements consist of the following:

	Balance 6/30/2013	Additions	Deletions	Balance 6/30/2014
Furniture & Fixtures	\$10,753	\$ -	\$ -	\$ 10,753
Equipment	6,135	2,273	-	8,408
Leasehold Improvements	30,218	-	-	30,218
	<u>47,106</u>	<u>2,273</u>	<u>-</u>	<u>49,379</u>
Less: Accumulated Depreciation	<u>(44,212)</u>	<u>(580)</u>	<u>-</u>	<u>(44,792)</u>
Totals	<u>\$2,894</u>	<u>\$ 1,693</u>	<u>\$ -</u>	<u>\$4,587</u>

During the year, there was \$2,273 in assets were purchased and no assets were disposed. Depreciation Expense for the year was \$580.

NOTE 4. UNRESTRICTED NET ASSETS DESIGNATED FOR A SPECIFIC PURPOSE

Net assets include \$77,609 in restricted assets, which have been designated by the board or donor for a specific purpose. These assets have been obtained through student self assessment, and by donors, and are to be used exclusively for scholarships and student activities.

NOTE 5. MEMBERSHIP DUES

The Alumni Federation assesses dues to be a member of the federation. Dues are determined by the various levels of membership. These levels of membership are: single dues (\$35), joint dues (\$55), dues for a recent graduate (\$15), friend of the alumni (\$50). This year two additional categories of dues were added for lifetime membership: single (\$500) and joint (\$750).

NOTE 6. STUDENT ASSESSMENTS

The Alumni Federation receives student assessment revenue from Nicholls State University. The Alumni Federation's board has designated these funds for activities that will benefit the student body such as scholarships and other activities that the Alumni Federation sponsors.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 6. STUDENT ASSESSMENTS, continued

Graduate dues for the Spring 2013 semester were not moved from the student assessment funds to the dues category until the university could completely verify the graduates and perform a data export for the Alumni into their dues database. This transaction did not occur until July 29, 2013, the graduate dues that were moved in July 2013 for Spring 2013 totaled \$9,675. If the transaction would have occurred in the prior year, the student assessment expenses would have reflected a balance of \$16,959 (less \$9,675) and the dues would have reflected a balance of \$78,697 (\$9,675 less). The student assessment in the Graph 1 of the report would have shown \$19,275 (\$9,510 + \$9,675) for 2013 and \$16,725 for 2014 (\$8,430 + \$8,295).

NOTE 7. PROGRAM SERVICES

The Alumni Federation provides program services that benefit both its alumni and current Nicholls State University students. The major program services of the Alumni Federation are to foster, protect, and promote the welfare of Nicholls State University, to establish a mutually beneficial relationship between the University and its Alumni. The Alumni Federations major focus is on scholarships, fundraising, student activities, and its annual business meeting.

The Alumni Federation awards scholarships to current or incoming Nichols State University students. The funds for these scholarships come from donors requesting scholarships named for a specific person as well as from student assessment or general funds.

Homecoming activities are centered on the Nicholls State University's homecoming football game. Some of the activities that the Alumni Federation provides are the barbeque products, hot dog eating contest, and alumni tailgating. These activities are now being charged to student support activities, whereas, in the last fiscal year it was charged to homecoming.

The John Brady Golf Classic engages 100+ area golfers. To participate in these activities, participants are charged fees to help offset the cost as well as corporate sponsors have been acquired. The board has also designated one half of the net earnings from the golf tournament to be set aside to help fund scholarships.

The Alumni Federation also provides for an annual business meeting. This meeting is centered around a "crawfish boil" and its board of directors is sworn-in. The Alumni Federation sells tickets to attend the crawfish boil and holds a silent auction in conjunction with this meeting to help offset the cost.

This year the Alumni also started a New Year's Eve Bash fundraiser in order to raise funds for the alumni operating expenditures with the hope of future earnings to also be set aside for scholarships. The Alumni Federation sells tickets to attend this New Year's Eve party.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 8. DONATED SERVICES AND FACILITIES

The Alumni Federation receives donated services from Nicholls State University in the form of a full-time executive director and assistant director, and a student worker. However, starting in July 1, 2012, Nicholls State University no longer provided 100% of the salaries for Alumni Federation personnel. The University agreed to provide 50% of the cost of those salaries with the Alumni Federation responsible for the remainder for the fiscal year ending June 30, 2014. Nicholls State University has estimated the approximate cost of providing the donated services to be \$76,077 and it is included in contributions and expenses in the statement of support, revenue, and expenses and changes in net assets.

The Alumni Federation also occupies office space on the campus of Nicholls State University. The University does not charge the Alumni Federation for this space. Nicholls State University has estimated the approximate fair value of the annual rental and related utilities to be \$11,000 and it is included in contributions and expenses in the statement of support, revenue, and expenses and changes in net assets.

NOTE 9. RISK MANAGEMENT

The Alumni Federation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Alumni Federation has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Alumni Federation's insurance coverage.

NOTE 10. ECONOMIC DEPENDENCY

The Nicholls State University Alumni Federation operates out of the Alumni House, which is owned by Nicholls State University. The University allows the Federation to occupy this building rent-free. Nicholls State University also covers 50% of the salary of the director, assistant director, and student worker of the Federation. If these expenses were not provided, the Federation would not be able to continue its operations.

NOTE 11. SUBSEQUENT EVENTS

The subsequent events of the federation were evaluated through the date of the financial statements were available to be issued (December 11, 2014):

Nicholls State University has agreed to fund the salaries of the director, assistant director, and the student worker at 100% instead of the 50% funding level for the fiscal year starting July 1, 2014.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2014

NOTE 12. LITIGATION AND CLAIMS

At June 30, 2014, the Alumni Federation had no litigation or claims pending.

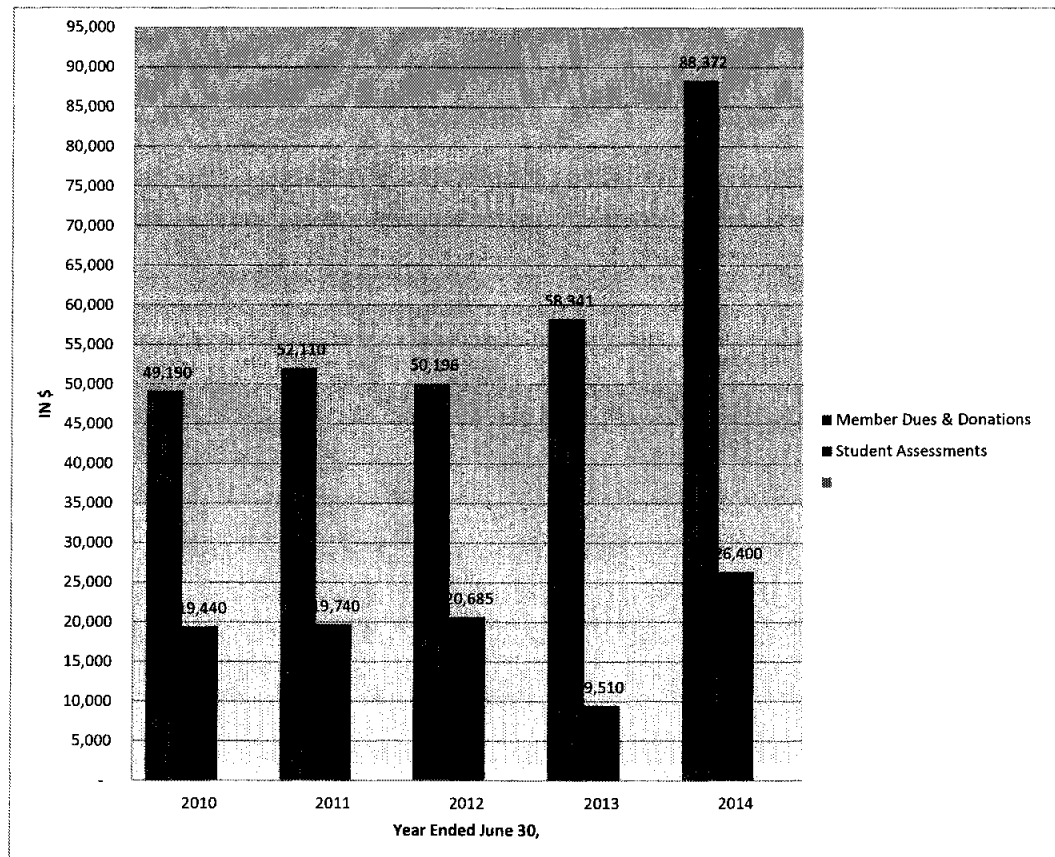
Note 13. TRANSFER TO NSU FOUNDATION

During the fiscal year ending June 30, 2014, The Nicholls State University Alumni Federation transferred a \$500 donation to the Nicholls State University Foundation who is setting up an endowed scholarship in the name of the most recent university past-president Stephen Hulbert.

***SUPPLEMENTAL
INFORMATION - GRAPHS***

**NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Dues & Donations Revenue Comparison**

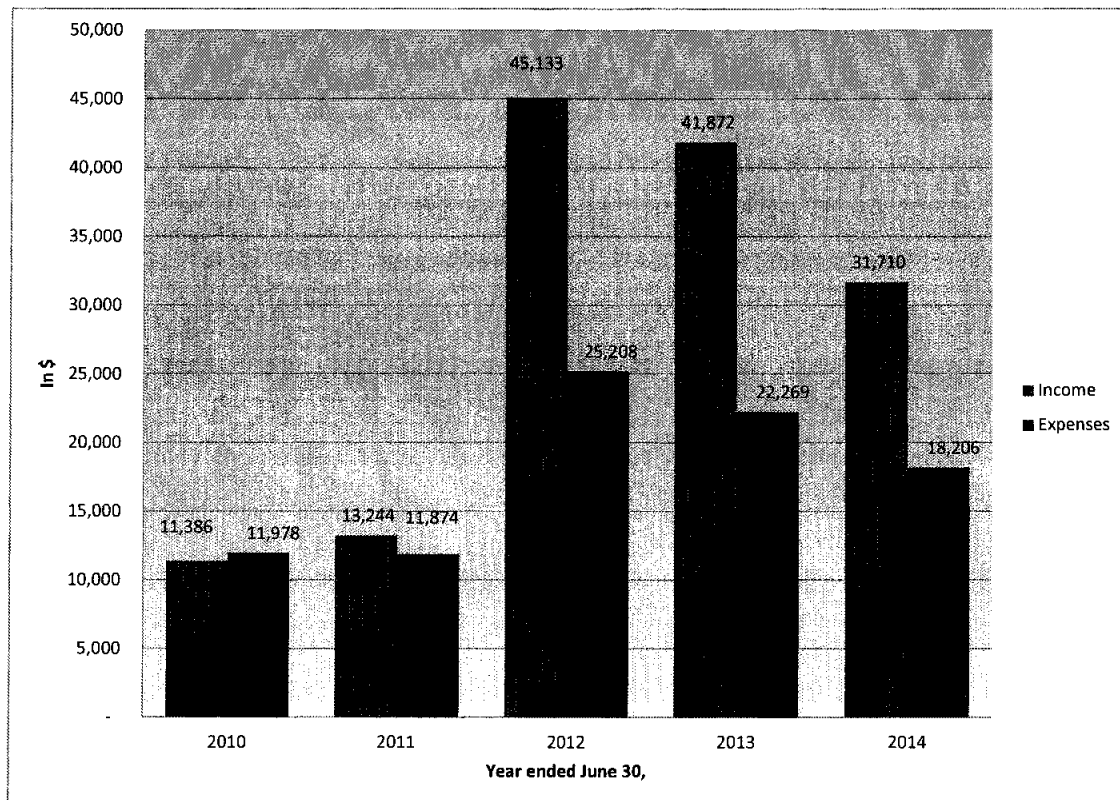
For the Year Ended June 30, 2014
With Comparative Totals for the Years Ended June 30, 2010, 2011, 2012, 2013, 2014



* The 2013 student assessments, do not reflect the Spring 2013 graduate dues of \$9,675, that were not accounted for until July 2013. The 2014 student assessments includes Spring 2013, Fall 2014 & Spring 2014.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Homecoming Income & Expense Comparison
(includes Golf Tournament)

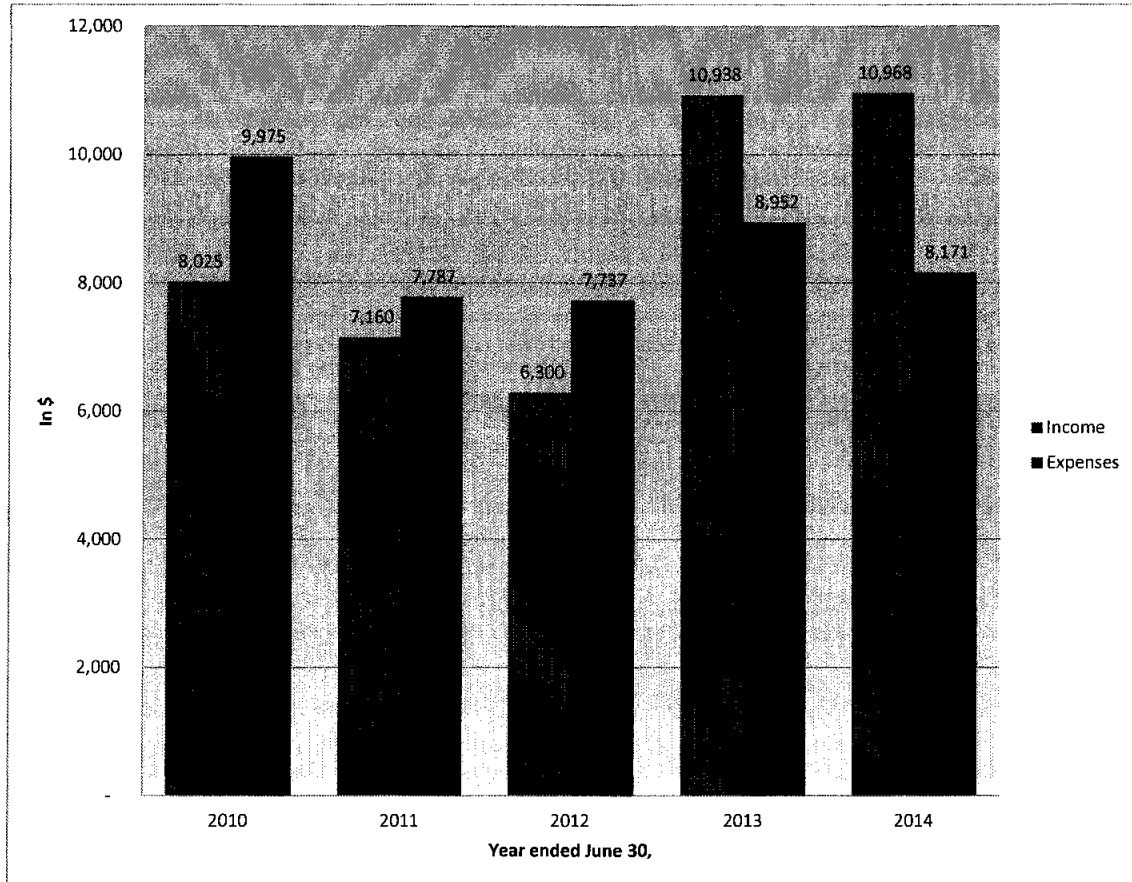
For the Year Ended June 30, 2014
With Comparative Totals for the Years Ended June 30, 2010, 2011, 2012, 2013, 2014



** Starting in 2014, homecoming activities are no longer being taken from the Golf Classic and this chart solely showing the John Brady Golf Classic income and expenses.

**NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Annual Business Meeting Income & Expense**

For the Year Ended June 30, 2014
With Comparative Totals for the Years Ended June 30, 2010, 2011, 2012, 2013, 2014



**NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2014**

We have audited the accompanying statement of assets and net assets – modified cash basis of the Nicholls State University Alumni Federation (a nonprofit organization) as of June 30, 2014, and the related statement of revenue, expenses and other changes in net assets – modified cash basis for the year then ended and the related notes to the financial statements. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Section I Summary of Auditor's Reports

- The auditor's report expresses an unmodified opinion on the basic financial statements.
- No instances of noncompliance under the provisions of the Louisiana Governmental Audit Guide were disclosed during the audit of the basic financial statements.
- The Federation neither received nor expended any federal awards during the year.
- A management letter was not issued in conjunction with this audit.

Section II Financial Statement Findings –

- There were no financial statement findings during the audit of the basic financial statements.

Section III Federal Award Findings –

- The Federation neither received nor expended any federal awards during the year.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION

Summary Schedule of Prior Year Findings
For the Year Ended June 30, 2014

REFERENCE #	CORRECTIVE ACTION
SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
NOT APPLICABLE	
SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
NOT APPLICABLE	
SECTION III - MANAGEMENT LETTER	
NOT APPLICABLE	

NOTES TO SCHEDULE:

This summary schedule includes all prior audit findings and management letter findings.

In the reference number, the first 4 digits are the year that the audit finding related to.